



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2017/18 – 2019/20

<h2>BEAUFORT WEST MUNICIPALITY</h2>
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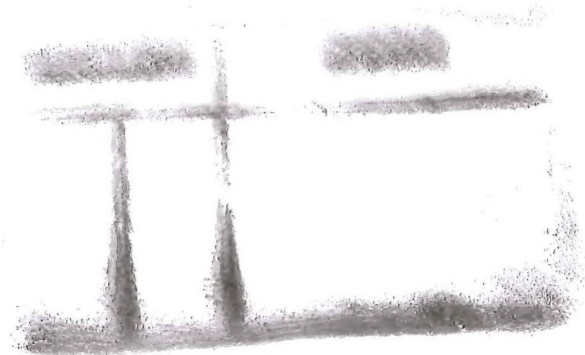


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PART 1:

1.1 Mayor's Report

Honourable Speaker and Council, as required by section 3 of Schedule A of the Municipal Budget Regulations, I hereby wish to report in summary as follows on the annual budget of the municipality.

An overview of the 2017/18 – 2019/20 MTREF as follows:

Description	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	R'000	R'000	R'000
Total Operating Revenue	295,728	283,700	297,172
Total Operating Expenditure	303,804	284,560	296,357
Operating Surplus/(Deficit)	(8,076)	(860)	815
Transfers and subsidies - capital	14,640	14,347	29,885
Surplus/(Deficit) for the year	6,564	13,487	30,700

The medium-term service delivery objectives and the associated medium-term financial implications, as well as the linkages between the tabled annual budget and the Integrated Development Plan, is contained in budget schedules SA 4, 5 and 6.

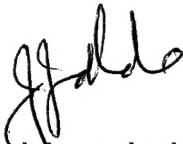
The capital budget over the 2017/18 Medium Term Revenue and Expenditure Framework (MTREF) amounts to R 15,870 million for 2017/18 and R 14,347 and R 29,885 million for the two outer years. We remain dependent on grant funds for capital projects which puts a limitation on our ability to structurally grow and develop our local economy. The capital programme for 2017/18 is thus mainly funded by the Municipal Infrastructure Grant to the amount of R 13,840 million, the Local Government – Fire Service Capacity Building Grant to the amount of R 800 000 and R 1,230 million from the Capital Replacement Reserve (CRR).

Honourable Speaker and Council, our financial position remains vulnerable and risky and therefore we need to persist with cost saving measures in order to turn around our current dire financial position.

However the Beaufort West Municipality remains committed at improving the quality of services provided to its residents within the municipal jurisdiction. In order to do this the Municipality needs to generate the required revenue.

The national, provincial and local economic outlook remain weak and will continue to pressurise municipal revenue generation and collection levels hence a conservative approach were used to in projecting revenue. Non-priority spending should be limited and stringent cost-containment measures should be implemented as per National Treasury's MFMA Circular No. 82: Cost Containment Measures (updated November 2016).

In these tough economic times strong revenue management, political will and support from all directorates will be absolutely fundamental to ensure that the budget can be implemented and to ensure financial sustainability over the MTREF.



RDL. JJ van der Linde
EXECUTIVE MAYOR

1.2 Resolutions

1.2.1 Consideration of the Annual Tabled Budget by Council

In terms of Section 24 of the MFMA, Council must approve the annual budget before the start of the financial year. The annual budget had been prepared and it is accordingly tabled in Council for approval.

Council acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- a) That the annual budget of Beaufort West Municipality for the Financial year 2017/2018; and indicative for the two projected years 2018/19 and 2019/20, as set out in the schedule contained in Part 1, 1.4 Annual Budget Tables, be approved:
 1. **Table A2:** Budgeted Financial Performance (expenditure by standard classification);
 2. **Table A3:** Budgeted Financial Performance (expenditure by municipal vote);
 3. **Table A4:** Budgeted Financial Performance (revenue and expenditure);
 4. **Table A5:** Budget Capital Expenditure by vote, standard classification and funding.
- b) Council approves and adopts with effect of 1 July 2017 the increase in tariffs as reflected in Annexure A – Increase in Tariffs for Rates, Service Charges and Other Sundry Tariffs.

1.2.3 Submission to Provincial and National Treasury

- a) **It is also recommended** that Council approve the submission of the annual budget to the Provincial Treasury and the National Treasury, within ten working days after tabling in Council.

1.3 Executive Summary

The Beaufort West Municipality has no municipal entities and do not utilise any external mechanisms for service delivery. The rising costs of operating expenses has a negative impact on the annual budget and consequently leads to higher tariffs to be charged for municipal services.

The financial position as stated will remain vulnerable over the 2017 MTREF. A financial strategy needs to be tabled in Council indicating how to improve our liquidity position, eliminate the use of the current overdraft and to become financially stable again.

The annual budget of the municipality is linked with the Integrated Development Plan and this alignment is illustrated in budget schedules SA 4, 5 and 6.

The Beaufort West Municipality are in alignment with the achievement of national, provincial and district priorities by providing more than the minimum Free Basic Services to the poor and being the implementing agent of various housing projects. We also support the inter-governmental relations platforms and we work well with government departments and agencies to implement the priorities of government.

The constant increase in the number of indigent applications consequently leads to more pressure on the distribution and sharing of the Equitable Share Grant.

No amendments were made to the budget-related policies of the Municipality.

An overview of the annual budget is provided below;

Total Operating Revenue

Revenue is projected to **increase by 1.9%** from R 304,694 million in 2016/17 to R 310,368 million in 2017/18. The major revenue items are as follows:

Revenue By Source	Current Year 2016/17	Budget Year 2017/18	% of total revenue	% incr / (decr)
R thousands	R'000	R'000	%	%
Property rates	28,305	35,417	11.4%	25.1%
Service charges	110,853	116,065	37.4%	4.7%
Investment revenue	1,260	1,260	0.4%	0.0%
Transfers recognised - operational	65,164	91,621	29.5%	40.6%
Other own revenue	59,378	51,366	16.5%	-13.5%
Transfers and subsidies - capital	39,735	14,640	4.7%	-63.2%
Total Revenue	304,694	310,368	100.0%	1.9%

Revenue from service charges represents the bulk of the revenue at 37.4% followed by operational grants of 29.5%, other own revenue 16.5% property rates 11.4%, transfers recognised capital 4.7% and investment revenue at 0.4%.

Total Operating Expenditure

The operational expenditure increased **by 12.5%** from R 279,027 million in 2016/17 to R 303,804 million in 2017/18. The major expenditure items are as follows:

Expenditure By Type	Current Year 2016/17	Budget Year 2017/18	% of total expenditure	% incr / (decr)
R thousands	R'000	R'000	%	%
Employee costs	86,951	93,514	30.8%	7.5%
Remuneration of councillors	4,967	5,385	1.8%	8.4%
Depreciation & asset impairment	16,152	16,935	5.6%	4.8%
Finance charges	1,633	1,713	0.6%	4.9%
Materials and bulk purchases	87,225	96,035	31.6%	10.1%
Transfers and grants	150	100	0.0%	-33.3%
Other expenditure	81,949	90,121	29.7%	10.0%
Total Expenditure	279,027	303,804	100.0%	12.5%

Employee costs and materials & bulk purchases represents the bulk of the expenditure at 30.8% and 31.6% respectively. Other expenditure comprises among others general expenses

such as telephone, audit costs, security services, debt impairment, as well as expenditure on low cost housing (top structures).

Total Capital Expenditure

A capital budget amounting to R 15,870 million is proposed for 2017/18 (R 14,347 million and R 29,885 million for the outer years). The capital budget will be funded as follows:

Funded by:	Current Year 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	R'000	R'000	R'000	R'000
National Government	39,218	13,840	14,347	29,885
Provincial Government	517	800	–	–
District Municipality	–	–	–	–
Other transfers and grants	–	–	–	–
Transfers recognised - capital	39,735	14,640	14,347	29,885
Public contributions & donations	–	–	–	–
Borrowing	–	–	–	–
Internally generated funds	3,623	1,230	–	–
Total Capital Funding	43,358	15,870	14,347	29,885

1.4 Annual Budget Tables

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached reflecting the detail of the above mentioned amounts.

- Budget Summary Table A1
- Budgeted Financial Performance Table A2
- Budgeted Financial Performance Table A3
- Budgeted Financial Performance Table A4
- Budgeted Capital Expenditure by vote, standard classification Table A5
- Budgeted Financial Position Table A6
- Budgeted Cash flows Table A7
- Cash backed reserves/accumulated surplus reconciliation A8

The required main budget schedules (Table A1 – A8) as listed above are being provided below;

1.4.1 Budget Summary Table A1

WC053 Beaufort West - Table A1 Consolidated Budget Summary										
Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	23,192	25,057	26,584	28,305	28,305	–	–	35,417	37,895	40,549
Service charges	85,099	88,399	97,609	110,853	110,853	–	–	116,065	120,213	124,569
Investment revenue	1,012	1,893	1,883	1,260	1,260	–	–	1,260	1,260	1,260
Transfers recognised - operational	77,919	76,782	96,002	63,897	65,164	–	–	91,621	70,364	74,421
Other own revenue	50,193	60,897	72,686	59,378	59,378	–	–	51,366	53,968	56,374
Total Revenue (excluding capital transfers and contributions)	237,415	253,028	294,765	263,692	264,959	–	–	295,728	283,700	297,172
Employee costs	67,878	73,426	79,880	86,951	86,951	–	–	93,514	99,701	107,005
Remuneration of councillors	3,894	4,356	4,522	4,967	4,967	–	–	5,385	5,947	6,350
Depreciation & asset impairment	25,024	15,020	15,280	16,152	16,152	–	–	16,935	15,881	15,616
Finance charges	4,087	5,425	5,754	1,633	1,633	–	–	1,713	1,309	1,136
Materials and bulk purchases	63,798	68,373	80,424	87,136	87,225	–	–	96,035	93,195	95,317
Transfers and grants	60	64	35	150	150	–	–	100	100	100
Other expenditure	89,493	90,525	134,673	80,771	81,949	–	–	90,121	68,427	70,833
Total Expenditure	254,234	257,189	320,568	277,760	279,027	–	–	303,804	284,560	298,357
Surplus/(Deficit)	(16,819)	(4,160)	(25,803)	(14,068)	(14,068)	–	–	(8,076)	(860)	815
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	21,348	37,652	14,486	30,545	39,735	–	–	14,640	14,347	29,885
Contributions recognised - capital & contributed assets	363	52,296	70	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4,893	85,789	(11,247)	16,477	25,667	–	–	6,564	13,487	30,700
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4,893	85,789	(11,247)	16,477	25,667	–	–	6,564	13,487	30,700
Capital expenditure & funds sources										
Capital expenditure	30,651	92,797	18,487	34,168	43,358	–	–	15,870	14,347	29,885
Transfers recognised - capital	21,348	37,652	14,486	30,545	39,735	–	–	14,640	14,347	29,885
Public contributions & donations	363	52,296	70	–	–	–	–	–	–	–
Borrowing	4,092	790	2,509	–	–	–	–	–	–	–
Internally generated funds	4,848	2,058	1,421	3,623	3,623	–	–	1,230	–	–
Total sources of capital funds	30,651	92,797	18,487	34,168	43,358	–	–	15,870	14,347	29,885
Financial position										
Total current assets	49,429	66,173	57,501	59,973	59,973	–	–	52,394	57,290	68,610
Total non current assets	394,524	469,689	472,134	508,329	517,519	–	–	470,159	477,729	497,389
Total current liabilities	46,034	53,037	61,139	53,388	53,388	–	–	45,286	45,949	47,166
Total non current liabilities	46,161	64,108	61,026	47,088	47,088	–	–	66,291	64,607	63,669
Community wealth/Equity	351,758	418,717	407,470	467,826	477,016	–	–	410,977	424,464	455,164
Cash flows										
Net cash from (used) operating	25,616	42,284	24,212	31,125	29,858	29,858	–	23,692	22,395	44,447
Net cash from (used) investing	(32,343)	(38,337)	(18,599)	(34,278)	(43,468)	(43,468)	–	(15,980)	(14,457)	(28,995)
Net cash from (used) financing	587	(2,768)	(1,200)	974	974	974	–	(2,926)	(3,065)	(3,179)
Cash/cash equivalents at the year end	11,937	13,116	17,529	4,321	4,321	4,893	–	9,199	14,072	25,345
Cash backing/surplus reconciliation										
Cash and investments available	11,937	13,116	17,529	4,321	4,321	–	–	9,199	14,072	25,345
Application of cash and investments	(14,851)	(19,404)	(15,932)	(9,542)	(9,542)	–	–	799	1,531	3,558
Balance - surplus (shortfall)	26,788	32,521	33,461	13,863	13,863	–	–	8,400	12,541	21,787
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	–	–	–	–
Depreciation	–	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	12,651	15,109	16,254	15,389	15,389	–	16,810	16,810	17,896	19,068
Revenue cost of free services provided	7,654	8,349	8,753	3,487	3,487	–	6,201	6,201	6,635	7,099
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

1.4.2 Budgeted Financial Performance Table A2

WC053 Beaufort West - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		56,638	118,036	69,653	70,337	71,136	–	74,338	81,783	86,841
Executive and council		24,245	25,047	30,690	30,940	30,940	–	36,545	41,010	44,086
Finance and administration		32,181	92,862	38,808	39,397	40,196	–	37,793	40,773	42,755
Internal audit		212	126	155	–	–	–	–	–	–
<i>Community and public safety</i>		33,790	10,754	33,013	28,212	28,308	–	33,704	9,648	9,046
Community and social services		3,662	5,290	6,290	5,666	5,762	–	6,358	6,360	6,802
Sport and recreation		1,266	2,083	1,281	13,812	13,812	–	2,422	3,165	2,128
Public safety		2	1	1	1	1	–	801	1	1
Housing		28,859	3,380	25,441	8,733	8,733	–	24,123	123	114
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		49,502	59,243	63,881	53,472	53,472	–	53,012	52,052	57,295
Planning and development		386	494	719	402	402	–	402	467	532
Road transport		49,116	58,749	63,162	53,070	53,070	–	52,610	51,585	56,763
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		119,197	154,944	142,774	142,217	151,779	–	149,316	154,563	173,875
Energy sources		73,328	95,699	83,116	84,319	92,357	–	90,523	87,221	103,761
Water management		21,271	25,391	27,283	25,709	27,233	–	27,589	37,251	35,659
Waste water management		17,156	25,990	24,157	23,605	23,605	–	21,466	20,368	24,044
Waste management		7,442	7,864	8,218	8,584	8,584	–	9,738	9,724	10,410
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	259,127	342,977	309,321	294,237	304,694	–	310,368	298,047	327,057
Expenditure - Functional										
<i>Governance and administration</i>		58,551	51,749	64,914	54,896	55,695	–	55,923	59,553	62,837
Executive and council		15,217	13,409	14,307	14,208	14,208	–	14,625	15,263	16,770
Finance and administration		42,750	37,832	49,944	40,257	41,055	–	40,807	43,765	45,512
Internal audit		584	508	662	431	431	–	490	525	555
<i>Community and public safety</i>		42,880	17,509	40,842	28,430	28,519	–	46,226	23,024	24,425
Community and social services		4,367	4,843	6,104	7,861	7,950	–	9,387	9,515	10,084
Sport and recreation		7,099	6,244	6,131	7,729	7,729	–	8,099	8,521	9,033
Public safety		1,673	1,918	1,975	2,851	2,851	–	3,418	3,609	3,847
Housing		29,741	4,504	26,633	9,989	9,989	–	25,322	1,379	1,459
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		56,929	64,469	83,194	68,996	68,996	–	64,570	63,632	66,397
Planning and development		4,273	4,115	4,414	5,103	5,103	–	5,608	5,986	6,424
Road transport		52,656	60,354	78,780	63,893	63,893	–	58,962	57,645	59,974
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		95,581	123,134	131,258	124,983	125,362	–	136,555	137,785	142,095
Energy sources		62,366	80,066	83,965	76,279	76,658	–	84,900	84,930	86,144
Water management		17,759	20,827	25,472	24,113	24,113	–	25,528	26,299	27,923
Waste water management		5,045	8,216	8,295	10,718	10,718	–	11,088	11,685	12,322
Waste management		10,411	14,025	13,527	13,872	13,872	–	15,040	14,871	15,706
<i>Other</i>	4	292	328	360	455	455	–	531	565	603
Total Expenditure - Functional	3	254,234	257,189	320,568	277,760	279,027	–	303,804	284,560	296,357
Surplus/(Deficit) for the year		4,893	85,789	(11,247)	16,477	25,667	–	6,564	13,487	30,700

1.4.3 Budgeted Financial Performance Table A3

WC053 Beaufort West - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Municipal Manager		491	1,067	302	–	–	–	–	–	–
Vote 2 - Director: Corporate Service		27,557	82,814	37,268	36,317	36,413	–	42,608	47,062	50,566
Vote 3 - Director: Financial Services		31,334	37,923	36,836	36,867	37,666	–	37,065	40,392	42,375
Vote 4 - Director: Engineering Services		48,008	66,274	56,143	68,121	69,645	–	59,656	65,583	69,679
Vote 5 - Director: Community Services		78,409	59,200	95,656	68,613	68,613	–	80,516	57,788	60,675
Vote 6 - Director: Electrical Services		73,328	95,699	83,116	84,319	92,357	–	90,523	87,221	103,761
		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	259,127	342,977	309,321	294,237	304,694	–	310,368	298,047	327,057
Expenditure by Vote to be appropriated	1									
Vote 1 - Municipal Manager		3,560	3,867	4,311	4,332	4,332	–	4,606	4,913	5,230
Vote 2 - Director: Corporate Service		36,247	26,028	28,563	28,365	28,454	–	30,163	31,140	33,508
Vote 3 - Director: Financial Services		14,267	17,752	28,087	18,956	19,754	–	20,602	22,747	23,217
Vote 4 - Director: Engineering Services		54,183	62,325	67,916	76,524	76,524	–	81,055	80,645	85,266
Vote 5 - Director: Community Services		83,611	67,150	107,726	73,305	73,305	–	82,479	60,185	62,993
Vote 6 - Director: Electrical Services		62,366	80,066	83,965	76,279	76,658	–	84,900	84,930	86,144
		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	254,234	257,189	320,568	277,760	279,027	–	303,804	284,560	296,357
Surplus/(Deficit) for the year	2	4,893	85,789	(11,247)	16,477	25,667	–	6,564	13,487	30,700

1.4.4 Budgeted Financial Performance Table A4

WC053 Beaufort West - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Properly rates	2	23,192	25,057	26,584	28,305	28,305	-	-	35,417	37,895	40,549
Service charges - electricity revenue	2	56,621	57,777	63,227	72,655	72,655	-	-	74,602	75,880	77,145
Service charges - water revenue	2	12,150	13,366	15,590	17,993	17,993	-	-	19,442	20,809	22,258
Service charges - sanitation revenue	2	10,731	11,288	12,327	13,361	13,361	-	-	14,531	15,509	16,590
Service charges - refuse revenue	2	5,598	5,947	6,465	6,843	6,843	-	-	7,490	8,014	8,575
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		815	1,676	1,085	1,275	1,275	-	-	1,363	1,376	1,409
Interest earned - external investments		1,012	1,893	1,883	1,260	1,260	-	-	1,260	1,260	1,260
Interest earned - outstanding debtors		1,858	1,969	2,041	2,087	2,087	-	-	2,616	2,728	2,850
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		40,874	45,969	60,208	49,409	49,409	-	-	44,785	47,209	49,410
Licences and permits		546	539	563	610	610	-	-	595	601	606
Agency services		541	609	660	670	670	-	-	680	680	680
Transfers and subsidies		77,919	76,782	96,002	63,897	65,164	-	-	91,621	70,364	74,421
Other revenue	2	5,560	10,067	8,130	5,327	5,327	-	-	1,326	1,375	1,420
Gains on disposal of PPE		-	69	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		237,415	253,028	294,765	263,692	264,959	-	-	295,728	283,700	297,172
Expenditure By Type											
Employee related costs	2	67,878	73,426	79,880	86,951	86,951	-	-	93,514	99,701	107,005
Remuneration of councillors		3,894	4,366	4,522	4,967	4,967	-	-	5,385	5,947	6,350
Debt impairment	3	27,217	40,121	69,311	37,233	37,233	-	-	35,285	37,195	38,759
Depreciation & asset impairment	2	25,024	15,020	15,280	16,152	16,152	-	-	16,935	15,881	15,616
Finance charges		4,087	5,425	5,754	1,633	1,633	-	-	1,713	1,309	1,136
Bulk purchases	2	46,390	50,230	56,316	65,244	65,244	-	-	68,085	68,789	69,509
Other materials	8	17,408	18,143	24,108	21,892	21,981	-	-	27,950	24,406	25,808
Contracted services		11,540	7,999	11,957	7,982	7,982	-	-	3,595	3,875	4,179
Transfers and subsidies		60	64	35	150	150	-	-	100	100	100
Other expenditure	4, 5	50,568	41,494	53,381	35,556	36,734	-	-	51,241	27,358	27,894
Loss on disposal of PPE		168	910	23	-	-	-	-	-	-	-
Total Expenditure		254,234	257,189	320,568	277,760	279,027	-	-	303,804	284,560	296,357
Surplus/(Deficit)		(18,819)	(4,160)	(25,803)	(14,068)	(14,068)	-	-	(8,076)	(860)	815
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		21,348	37,652	14,486	30,545	39,735	-	-	14,640	14,347	29,885
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	70	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		363	52,296	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		4,893	85,789	(11,247)	16,477	25,667	-	-	6,564	13,487	30,700
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		4,893	85,789	(11,247)	16,477	25,667	-	-	6,564	13,487	30,700
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		4,893	85,789	(11,247)	16,477	25,667	-	-	6,564	13,487	30,700
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		4,893	85,789	(11,247)	16,477	25,667	-	-	6,564	13,487	30,700

1.4.5 Budgeted Capital Expenditure by Vote Table A5

WC053 Beaufort West - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		—	—	—	—	—	—	—	—	—	—
Vote 2 - Director: Corporate Service		—	—	—	—	—	—	—	—	—	—
Vote 3 - Director: Financial Services		—	—	—	—	—	—	—	—	—	—
Vote 4 - Director: Engineering Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Director: Community Services		—	—	—	—	—	—	—	—	—	—
Vote 6 - Director: Electrical Services		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	—	—	—	—	—	—	—	—	—	—
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		9	2	48	—	—	—	—	—	—	—
Vote 2 - Director: Corporate Service		355	53,573	1,905	—	7	—	—	200	—	—
Vote 3 - Director: Financial Services		125	408	292	—	—	—	—	200	—	—
Vote 4 - Director: Engineering Services		18,220	25,786	13,508	27,614	29,138	—	—	10,440	14,347	14,885
Vote 5 - Director: Community Services		2,427	301	33	—	—	—	—	1,000	—	—
Vote 6 - Director: Electrical Services		9,514	12,726	2,701	6,554	14,213	—	—	4,030	—	15,000
		—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		30,651	92,797	18,487	34,168	43,358	—	—	15,870	14,347	29,885
Total Capital Expenditure - Vote		30,651	92,797	18,487	34,168	43,358	—	—	15,870	14,347	29,885
Capital Expenditure - Functional											
Governance and administration		498	1,274	1,159	1,200	1,200	—	—	680	—	—
Executive and council		—	—	48	—	—	—	—	—	—	—
Finance and administration		489	1,274	1,111	1,200	1,200	—	—	680	—	—
Internal audit		9	—	—	—	—	—	—	—	—	—
Community and public safety		1,328	53,076	2,206	13,592	13,599	—	—	3,150	3,559	1,900
Community and social services		170	52,817	1,177	—	7	—	—	200	—	—
Sport and recreation		883	254	1,029	13,592	13,592	—	—	2,150	3,559	1,900
Public safety		159	1	—	—	—	—	—	800	—	—
Housing		117	5	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—
Economic and environmental services		8,421	8,209	3,898	6,064	6,064	—	—	4,624	3,149	6,648
Planning and development		2	15	—	—	—	—	—	—	—	—
Road transport		8,419	8,195	3,898	6,064	6,064	—	—	4,624	3,149	6,648
Environmental protection		—	—	—	—	—	—	—	—	—	—
Trading services		20,190	30,237	11,212	13,312	22,495	—	—	7,416	7,640	21,337
Energy sources		9,514	12,726	2,701	6,554	14,213	—	—	4,030	—	15,000
Water management		4,673	1,539	439	100	1,624	—	—	1,271	7,322	4,082
Waste water management		4,541	15,841	8,071	6,658	6,658	—	—	2,114	318	2,255
Waste management		1,462	130	1	—	—	—	—	—	—	—
Other		214	—	12	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	30,651	92,797	18,487	34,168	43,358	—	—	15,870	14,347	29,885
Funded by:											
National Government		21,186	24,233	12,679	30,035	39,218	—	—	13,840	14,347	29,885
Provincial Government		163	13,419	1,807	510	517	—	—	800	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	21,348	37,652	14,486	30,545	39,735	—	—	14,640	14,347	29,885
Public contributions & donations	5	363	52,296	70	—	—	—	—	—	—	—
Borrowing	6	4,092	790	2,509	—	—	—	—	—	—	—
Internally generated funds		4,848	2,058	1,421	3,623	3,623	—	—	1,230	—	—
Total Capital Funding	7	30,651	92,797	18,487	34,168	43,358	—	—	15,870	14,347	29,885

1.4.6 Budgeted Financial Position Table A6

WC053 Beaufort West - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash		2,605	12	12	321	321	–	–	5,392	11,090	17,171
Call investment deposits	1	9,332	15,036	18,037	4,000	4,000	–	–	3,807	2,982	8,174
Consumer debtors	1	30,088	40,759	29,628	31,778	31,778	–	–	17,664	17,687	17,734
Other debtors		4,612	7,373	6,095	20,544	20,544	–	–	21,803	21,803	21,803
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	2,791	2,992	3,729	3,330	3,330	–	–	3,729	3,729	3,729
Total current assets		49,429	66,173	57,501	59,973	59,973	–	–	52,394	57,290	68,610
Non current assets											
Long-term receivables		3,677	1,735	1,848	1,950	1,950	–	–	1,738	1,738	1,738
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		8,648	8,399	8,150	8,115	8,115	–	–	8,150	8,150	8,150
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	375,042	452,853	456,270	490,518	499,708	–	–	454,405	461,975	481,635
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		269	316	471	618	618	–	–	471	471	471
Other non-current assets		6,889	6,385	5,396	7,128	7,128	–	–	5,396	5,396	5,396
Total non current assets		394,524	469,689	472,134	508,329	517,519	–	–	470,159	477,729	497,389
TOTAL ASSETS		443,953	535,862	529,636	568,302	577,492	–	–	522,553	535,019	565,999
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	1,932	520	–	–	–	–	–	–	–
Borrowing	4	3,476	3,764	2,986	4,398	4,398	–	–	2,986	2,278	2,040
Consumer deposits		1,139	1,227	1,293	1,429	1,429	–	–	1,353	1,393	1,443
Trade and other payables	4	33,909	38,134	42,674	33,912	33,912	–	–	32,546	33,652	34,825
Provisions		7,509	7,980	13,666	13,648	13,648	–	–	8,401	8,626	8,858
Total current liabilities		46,034	53,037	61,139	53,388	53,388	–	–	45,286	45,949	47,166
Non current liabilities											
Borrowing		14,603	11,542	11,120	11,098	11,098	–	–	11,120	8,134	5,857
Provisions		31,558	52,566	49,906	35,990	35,990	–	–	55,171	56,472	57,812
Total non current liabilities		46,161	64,108	61,026	47,088	47,088	–	–	66,291	64,607	63,669
TOTAL LIABILITIES		92,194	117,145	122,165	100,476	100,476	–	–	111,576	110,555	110,835
NET ASSETS	5	351,758	418,717	407,470	467,826	477,016	–	–	410,977	424,464	455,164
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		341,592	402,967	400,486	464,101	473,291	–	–	407,050	420,537	451,238
Reserves	4	10,166	15,750	6,984	3,725	3,725	–	–	3,926	3,926	3,926
TOTAL COMMUNITY WEALTH/EQUITY	5	351,758	418,717	407,470	467,826	477,016	–	–	410,977	424,464	455,164

1.4.7 Budgeted Cash Flows Table A7

WC053 Beaufort West - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	26,594	26,594	26,594	–	33,292	33,419	39,225
Service charges		119,382	120,622	199,145	104,151	104,151	104,151	–	108,944	117,486	113,838
Other revenue		81,983	80,471	107,961	28,214	28,214	28,214	–	21,141	22,241	23,524
Government - operating	1	21,348	37,652	14,486	63,897	63,897	63,897	–	91,621	70,364	74,421
Government - capital	1	2,870	–	–	30,545	30,545	30,545	–	14,640	14,347	29,885
Interest		–	3,861	3,924	3,220	3,220	3,220	–	3,794	(5,340)	4,110
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(195,820)	(194,833)	(295,515)	(223,713)	(224,980)	(224,980)	–	(247,927)	(228,713)	(239,320)
Finance charges		(4,087)	(5,425)	(5,754)	(1,633)	(1,633)	(1,633)	–	(1,713)	(1,309)	(1,136)
Transfers and Grants	1	(60)	(64)	(35)	(150)	(150)	(150)	–	(100)	(100)	(100)
NET CASH FROM/(USED) OPERATING ACTIVITIES		25,616	42,284	24,212	31,125	29,858	29,858	–	23,692	22,395	44,447
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	222	–	–	–	–	–	–	–	–
Decrease (increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		(2,055)	1,941	(112)	(110)	(110)	(110)	–	(110)	(110)	(110)
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(30,288)	(40,500)	(18,487)	(34,168)	(43,358)	(43,358)	–	(15,870)	(14,347)	(29,885)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32,343)	(38,337)	(18,599)	(34,278)	(43,468)	(43,468)	–	(15,980)	(14,457)	(29,995)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		4,092	790	2,802	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	55	55	55	–	60	40	50
Payments											
Repayment of borrowing		(3,526)	(3,558)	(4,003)	919	919	919	–	(2,986)	(3,105)	(3,229)
NET CASH FROM/(USED) FINANCING ACTIVITIES		567	(2,768)	(1,200)	974	974	974	–	(2,926)	(3,065)	(3,179)
NET INCREASE/ (DECREASE) IN CASH HELD											
		(6,161)	1,179	4,413	(2,179)	(12,636)	(12,636)	–	4,788	4,873	11,273
Cash/cash equivalents at the year begin:	2	18,098	11,937	13,116	6,501	16,958	17,529	–	4,413	9,199	14,072
Cash/cash equivalents at the year end:	2	11,937	13,116	17,529	4,321	4,321	4,893	–	9,199	14,072	25,345

1.4.8 Cash Backed Reserves Reconciliation Table A8

WC053 Beaufort West - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	11,937	13,116	17,529	4,321	4,321	4,893	–	9,199	14,072	25,345
Other current investments > 90 days		–	0	0	–	–	(4,893)	–	(0)	(0)	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		11,937	13,116	17,529	4,321	4,321	–	–	9,199	14,072	25,345
Application of cash and investments											
Unspent conditional transfers		7,275	4,855	11,173	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	(1,500)	(1,500)	(1,500)
Other working capital requirements	3	(22,125)	(24,260)	(27,104)	(9,542)	(9,542)	–	–	(641)	(7)	1,918
Other provisions		–	–	–	–	–	–	–	2,919	3,017	3,119
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	21	21	21
Total Application of cash and investments:		(14,851)	(19,404)	(15,932)	(9,542)	(9,542)	–	–	799	1,531	3,558
Surplus(shortfall)		26,788	32,521	33,461	13,863	13,863	–	–	8,400	12,541	21,787

PART 2:

2.1 Overview of the Budget Assumptions

In terms of Budget Regulation 6, the Municipal Manager must take all reasonable steps to ensure that the basis of measurement and accounting policies underpinning the municipality's annual financial statements are the same as those used in the preparation of the municipality's annual budget and supporting documentation; and any differences or changes between financial years should be explicitly noted.

In this light it should be noted that the municipality is in the process of making changes to its method of calculating debt impairment which will impact on the figures provided in the annual financial statements. Other than this change, all the basis of measurement and accounting policies underpinning the municipality's annual financial statements are the same as those used in the preparation of the municipality's annual budget and supporting documentation.

The following assumptions were made when the budget was prepared:

- Employee costs will increase by 7.6%;
- Electricity bulk purchases increase by 0.31% in line with Eskom's electricity tariff increase to municipalities;
- CPIX for 2017/18 are projected at 6.4% and 5.7%; 5.6% respectively for the outer years;
- It should be noted that most expenditure items is envisaged to increase by more than the projected inflation targets mainly due to expected increases in input costs; and
- Provision for doubtful debts is based on 23.3% of total rates and service charges.

2.2 Reconciliation of IDP strategic objectives and budget

WC053 Beaufort West - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Basic Service Delivery and Infrastructure Development	To improve and maintain current basic service delivery through specific infrastructural development projects. Provision of basic services to all the people in the municipal area. Provide for the needs of indigent households through improved services.		1	203,221	226,262	241,215	226,430	236,088		227,958	211,229	232,139
Sustainable Economic Growth	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development. Create an investment friendly environment to attract investment to enable economic growth and job creation. To enable education and skills development to equip people with economic skills. Sustainability of the environment.		2	431	53,949	504	-	-		8,450	5,066	8,109
Well-run Administration. Institutional Development and Municipal Transformation. Financial Sustainability	Establishment of a well governed and accountable administration. Ensure liquidity of the administration.		3	31,334	37,923	36,836	36,867	37,666		402	402	402
	Transparency and participation.		4	60	124	76	-	-		37,014	40,340	42,321
Transparent Organisation. Good Governance and community participation.			5	24,081	24,719	30,690	30,940	30,940		36,545	41,010	44,086
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	259,127	342,977	309,321	294,237	304,694	-	310,368	298,047	327,057

2.2 Reconciliation of IDP strategic objectives and budget

WC053 Beaufort West - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Basic Service Delivery and Infrastructure Development	To improve and maintain current basic service delivery through specific infrastructural development projects. Provision of basic services to all the people in the municipal area. Provide for the needs of indigent households through improved services.		1	204,936	215,355	266,792	235,629	236,097		219,250	199,869	207,146	
Sustainable Economic Growth	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development. Create an investment friendly environment to attract investment to enable economic growth and job creation. To enable education and skills development to equip people with economic skills. Sustainability of the environment.		2	21,268	12,352	13,408	10,589	10,589		33,328	29,822	31,370	
Well-run Administration. Institutional Development and Municipal Transformation.	Establishment of a well governed and accountable administration.		3	14,267	17,752	28,087	18,956	19,754		18,368	19,375	20,532	
Financial Sustainability	Ensure liquidity of the administration.		4	437	520	458	806	806		20,417	22,552	23,010	
Transparent Organisation. Good Governance and community participation.	Transparency and participation.		5	13,325	11,210	11,822	11,781	11,781		12,441	12,942	14,299	
Allocations to other priorities													
Total Expenditure				1	254,234	257,189	320,568	277,760	279,027	–	303,804	284,560	296,357

2.2 Reconciliation of IDP strategic objectives and budget

WC053 Beaufort West - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Basic Service Delivery and Infrastructure Development	To improve and maintain current basic service delivery through specific infrastructural development projects. Provision of basic services to all the people in the municipal area. Provide for the needs of indigent households through improved services.	A		30,493	92,163	18,141	34,168	43,358		15,670	14,347	29,885
Sustainable Economic Growth	To facilitate investment and maintenance of economic and social infrastructure to ensure infrastructure-led economic growth and development. Create an investment friendly environment to attract investment to enable economic growth and job creation. To enable education and skills development to equip people with economic skills. Sustainability of the environment.	B		33	223	53	–	–		–	–	–
Well-run Administration. Institutional Development and Municipal Transformation. Financial Sustainability	Establishment of a well governed and accountable administration. Ensure liquidity of the administration.	C		125	408	292	–	–		–	–	–
		D		–	2	–	–	–		200	–	–
Transparent Organisation. Good Governance and community participation.	Transparency and participation.	E		–	–	–	–	–				
Allocations to other priorities			3									
Total Capital Expenditure			1	30,651	92,797	18,487	34,168	43,358	–	15,870	14,347	29,885

2.3 The Quality Certificate

- a) In my capacity as the acting municipal manager of the Beaufort West Local Municipality, I hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



Kosie Haarhoff

Beaufort West Local Municipality (WC053)

29/06/2017

Date

End of document

Beaufort West Municipality
15 Church Street, Beaufort West
Tel 023-414-8133
www.beaufortwestmun.co.za



ANNEXURE A

2017/18 – 2019/20

<h2>BEAUFORT WEST MUNICIPALITY</h2>

Increases in Tariffs for Rates, Service Charges and Other Sundry Tariffs

Annexure A – Increases in Tariffs for Rates, Service Charges and Other Sundry Tariffs

1. Tariffs for Rates with effect from 1 July 2017:

1.1 the tariffs for property rates – 7% increase;

Beaufort West, Merweville, Nelspoort and Murraysburg

Agricultural	R0.003200 minus 65% Additional Discount
Business	R0.022400
Industrial	R0.022400
National Monuments	R0.022400 minus 10% Additional Discount
Public Service Infrastructure	R0.001600
Residential	R0.016000
State Owned	R0.022400

Rebates in respect of residential properties will be granted in accordance with the municipality's rates policy.

Having taken into account the limited rate funded services supplied to agricultural properties in general, the contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the municipality and the contribution of agriculture to the social and economic welfare of farm workers, the municipality grant rebates to the effect that the netto rate payable on agricultural properties will amount to R0.001120.

A rates rebate shall be granted to owners of properties who meet the following criteria:

- The property must be occupied by the owner;
- The rebate will be available to one property only in cases where more than one property is owned by the applicants;
- The owner must be older than 60 years;

- The rebate shall be granted on properties where the municipal valuation is less than R450,000.

The rebate referred to in the previous paragraph shall be dependent on the monthly household income as follows:

Less than R 1,200 per month	- 30%
R 1,201 to R 1,505	- 20%
R 1,505 to R 3,010	- 10%

The first R19,000 of all residential properties shall not be subject to rates.

2. Tariffs and other sundry tariffs increases from 1 July 2016:

2.1 the tariffs for electricity – **1.88%**; The National Electricity Regulator (NERSA) has approved an increase in the bulk tariff from Eskom of **0.31%**.

2.2 the tariffs for water – **7%**;

2.3 the tariffs for sanitation – **7%**;

2.4 the tariffs for refuse removal – **7%**;

2.5 Other sundry tariffs – **5%**

Beaufort West Municipality
15 Church Street, Beaufort West
Tel 023-414-8133
www.beaufortwestmun.co.za



ANNEXURE B

2017/18 – 2019/20

<h2>BEAUFORT WEST MUNICIPALITY</h2>
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Municipal Budget Circular No. 86 for the 2017/18 MTREF



Municipal Budget Circular for the 2017/18 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2016. It guides municipalities with their preparation of the 2017/18 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within that context. Among the objectives of this circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this circular is the implementation of municipal Standard Chart of Accounts (mSCOA) and the grant allocations as per the 2017 Budget Review.

1. The South African economy and inflation targets

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2017/18 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2015 - 2019

Fiscal year	2016/17	2017/18	2018/19	2019/20
	Estimate	Forecast		
Consumer Price Inflation (CPI)	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%

Source: 2017 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2017/18 budget process

2.1 Local government conditional grants and additional allocations

The 2017 Budget Review provides for R366.3 billion to be transferred directly to local government and a further R23 billion allocated to indirect grants for the 2017 MTEF. Direct transfers to local government over the medium term account for 9.1 per cent of national government's non-interest expenditure. When adding indirect transfers, the total spending for local government increases to 9.7 per cent of national non-interest expenditure.

Direct transfers to local government grow at an average rate of 8 per cent per annum over the 2017 MTEF. This strong growth in transfers to local government recognises the importance of local government functions and associated rising costs of municipal service delivery. Similarly, minor reductions are made to the larger conditional grants so that funds are prioritised in favour of other government priorities. Grant administrators and municipalities are encouraged to maximise the value derived from spending so that service delivery is not compromised.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:

<http://ntintranet/documents/national%20budget/2017/>

Changes to local government allocations

- The *local government equitable share* will grow by R3.3 billion over the MTEF period to assist municipalities with the rising costs of providing free basic services. An additional R1 billion will be added in 2018/19 and R2.3 billion in 2019/20 which further grows the 2016 Division of Revenue provision of R1.5 billion in 2017/18 and R3 billion in 2018/19. The formula, which is informed by the 2011 Census data, will be updated over the MTEF with data from the 2016 Community Survey. This data will be phased in over the MTEF period to ensure a smooth transition of the impact on the allocations to municipalities.
- Minor reductions are made to a mix of urban and rural grants, including, the *public transport network grant*, the *water services infrastructure grant*, the *municipal infrastructure grant* and the *urban settlements development grant* so that resources are available to fund other government priorities. In spite of the decreased allocations each of these grants will grow by at least 5 per cent annually over the 2017 MTEF period.
- Funds reprioritised from:
 - the *expanded public works programme integrated grant* to municipalities to fund the expanded mandate of the Commission for Conciliation, Mediation and Arbitration (as the commission will be providing its services to additional sectors);
 - the indirect *integrated national electrification programme (Eskom) grant*, mainly to fund the management of nuclear waste; and

- o the indirect *regional bulk infrastructure grant* of which small amounts will be utilised to augment funding for water catchment management agencies.
- There is intent to introduce a new funding model for district municipalities upon completion of the Department of Cooperative Governance's review of their functional role. In 2017/18, adjustments are made to the *RSC/ JSB levies replacement grant* to redistribute funds to the 13 district municipalities currently receiving less than R40 million per year from this grant. The growth rates of the 10 district municipalities with the largest allocations are reduced to fund the increases to the other districts. They will receive two-thirds of their original growth rate in 2017/18 and one-third of their original growth rate in 2018/19.

In the outer year of the MTEF period, the grant increases by 8.8 per cent a year for district municipalities that are authorised to undertake water and sanitation services and 2.9 per cent for district municipalities that are not such authorities. The different rates recognise the various service delivery responsibilities of these district municipalities and the fact that the allocations to unauthorised municipalities have an average growth rate below inflation.

The Department of Cooperative Governance, which administers the *municipal infrastructure grant*, continues to implement measures to strengthen the management and implementation of the grant. Changes to be introduced in 2017/18 include the circulation of:

- a guideline on how to plan, assess and implement refurbishment projects funded by the grant. The rules of the grant were changed in 2015/16 to allow this funding to be utilised for refurbishment however there have not been many projects of this nature since then. The new guideline will clarify the requirements for accessing this refurbishment funding.
- a revised guideline on the use of project management unit funds. Municipalities are allowed to use up to 5 per cent of their allocations from this grant for a project management unit. Grant conditions that require municipalities to submit business plans for their project management units will also allow the Department of Cooperative Governance to ensure that municipalities adhere to the guideline's best practices.

2.2 Municipal Standard Chart of Accounts (mSCOA)¹

The mSCOA Regulations apply to all municipalities and municipal entities with effect from 1 July 2017.

Technically, for a municipality to be regarded as mSCOA compliant on 1 July 2017 it must be able to transact across all the mSCOA segments and its core system and all sub-systems (including that of its municipal entities) must seamlessly integrate. Among the lessons learnt from the pilot municipalities, stems the recommendation that a municipality's point of departure for achieving system integration is that it prioritises the maximum integration potential of its core system so that it integrates with the Debtors main sub-system (including cash management and receipting), Payroll and the Assets Management sub-system modules. Furthermore, all municipalities must accommodate seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transactional environment come 1 July 2017.

¹ The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

This means that the compilation of the 2017/18 Medium-Term Budget and Expenditure Framework (MTREF) must be compliant with the *m*SCOA classification framework.

In summary, *m*SCOA compliance in respect of the tabled 2017/18 MTREF and IDP submission means that the data string uploaded to the LG Database portal must meet the following requirements:

- No mapping;
- Correct use of all segments;
- Seamless integration of core system with sub-systems (municipalities must ensure the integration of the Debtors, Payroll and Asset sub-systems); and
- Integrated budgeting facility directly linked to the IDP and SDBIP facilities on the system.

It is imperative that municipalities are familiar with the addendum to MFMA Circular No. 80 which describes what constitutes *m*SCOA compliance by 1 July 2017. National Treasury has a dedicated website to support municipalities with their *m*SCOA readiness efforts.

For more information on *m*SCOA and other benefits of the reform, visit: <http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

2.3 *m*SCOA training for municipal officials

Municipalities are advised not to approach the market to procure services for *m*SCOA training as National Treasury has partnered with the Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO, previously IMFO) to undertake *m*SCOA training.

3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation has however breached the upper limit of the 3 to 6 per cent target band; therefore municipalities are now required to ***justify all increases in excess of the 6.4 per cent*** projected inflation target in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Where revenue collection is not well planned or managed, or where tariffs are not properly set, serious financial problems can arise. Eskom's recent move to cut off power supply to municipalities that have not paid electricity bills is an indication of what can happen when municipalities fail to manage this risk.

3.1 Eskom bulk tariff increases

On the 23rd February 2017, the National Energy Regulator of South Africa (NERSA), issued a media statement saying that Eskom's allowed revenue for 2017/18 would result in a 2.2 per cent increase in the approved bulk tariffs for Eskom that year. NERSA's consultation paper on tariff benchmarking indicates that this will result in a 0.31 per cent increase in bulk tariffs to municipalities (the difference is due to the different financial years of Eskom and municipalities).

This is significantly lower than the 8 per cent tariff increase provided for in the current Multi-Year Price Determination as a result of higher increases approved in preceding years (12.7

per cent for 2015/16 and 9.4 per cent for 2016/17). The statement also says that, “*Nothing prevents Eskom from considering any possible cash flow risks and the implications thereof on its financial sustainability and make an application to NERSA for relief in this regard should it consider it necessary.*” The complete media statement can be accessed at www.nersa.org.za.

Section 42 of the MFMA requires that bulk price increases charged to municipalities by an organ of state must be tabled by 15 March if they are to be effected as from 1 July of the same year, unless the Minister of Finance grants an extension. The Minister of Finance, at the request of the Minister of Public Enterprises, has granted an extension until 5 April 2017 for the tabling of Eskom’s 2017/18 bulk prices for municipalities. Municipalities must ensure that their budgets are informed by Eskom’s bulk tariff to be tabled on that date. In the meantime municipalities are advised to use the NERSA’s guided 0.31 per cent bulk tariff increase when compiling their budgets. This means that any changes to the final bulk tariff increase for 2017/18 to be tabled by Eskom on the 5 April 2017 will have to be factored in at that time.

Municipalities must note that the free basic services subsidy provided for in the local government equitable share were informed by the 8 per cent bulk tariff increase previously approved for the current Multi-Year Price Determination period. The equitable share allocations were tabled on 22 February 2017 in the Division of Revenue Bill, 2017. If a lower electricity bulk tariff is tabled for 2017/18 this will be offset in the calculation of the free basic services subsidy for equitable share allocations for 2018/19. This means that municipalities will have to budget to retain any surplus funds from the higher free basic services subsidy paid in 2017/18 in order to offset the cost of providing free basic electricity in 2018/19.

4. Funding choices and management issues

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are less than the associated cost of providing the services will negatively impact the financial sustainability of municipalities.

4.1 Employee related costs

The South African Local Government Bargaining Council entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The previous years were:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

4.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

5. Conditional Grant Transfers to Municipalities

5.1 Unspent Conditional Grants for 2016/17

In addition to the requirements outlined in the previous MFMA Circulars regarding unspent conditional grants, municipalities must know that the National Treasury uses the pre-audited Annual Financial Statements (AFS) to determine the unspent conditional grants. The decision is made based on the pre-audited AFS. Therefore, there will not be a review of the unspent conditional grants once the audited AFS are available. It is therefore imperative that municipalities ensure that there is completeness in reported figures on the pre-audited AFS.

Following the determination of unspent conditional grants to be surrendered to the National Revenue Fund, where municipalities fail to repay the unspent allocations and will not be able to withstand the impact of the offsetting of unspent allocations from their equitable share in one instalment, municipalities have an opportunity in terms of section 22 (5)(b) (ii) and (iii) to propose an alternative means acceptable to National Treasury by which the unspent allocations will be paid into the National Revenue Fund or to propose an alternative payment schedule (repayment arrangement).

Municipalities who intend to exercise the above option are encouraged to inform the National Treasury within 14 days upon receipt of the letter informing them of the unspent conditional grants to be repaid into the National Revenue Fund. Requests for repayment arrangements following the lapse of the 14 days will not be considered. The repayment arrangement is limited to a maximum of three installments, whereby municipalities can repay unspent allocations into the National Revenue Fund.

6. The Municipal Budget and Reporting Regulations

National Treasury has released Version 6.1 of Schedule A1 (the Excel Formats) which is aligned to version 6.1 of the mSCOA classification framework which must be used when compiling the 2017/18 MTREF budget. This version incorporates major changes (see Annexure A). Therefore **ALL** municipalities **MUST** use this version for the preparation of their 2017/18 MTREF budget.

Download Version 6.1 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole	012-315 5054	Templeton.Phogole@treasury.gov.za
	Matjatji Mashoeshoe	012-315 6567	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa	012-315 5539	Vincent.Malepa@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
	Katlego Mabiletsa	012-395 6742	Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Nomxolisi Mawulana	012-315 5460	Nomxolisi.Mawulana@treasury.gov.za

KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012-315 5174	Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan	012-315 5101	Sadesh.Ramjathan@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Templeton Phogole	012-315 5054	Templeton.Phogole@treasury.gov.za
	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lqdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have tabled an unfunded budget, they will be required to correct the budget to ensure that a funded budget is adopted and implemented.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

7. Budget process and submissions for the 2017/18 MTREF

7.1 Budgeting for the audited years on the A schedule (mSCOA)

According to international best practices, it is appropriate to reclassify historical information in line with the changes that occur in the Standard Chart of Accounts. However considering our

own circumstances and the technical capability of smaller municipalities, it is proposed that municipalities disclose audited and the current years' (2016/17) information using version 2.8 of the A schedule. In relation to the 2017/18 MTREF municipalities must use version 6.1 of the A schedule. By implication two separate schedules must be submitted.

The amalgamated municipalities must not complete the audited years because they are new institutions that existed after the Local Government elections in August 2016, therefore they do not have the audited figures. As a result of that, there will not be verification of audited years for the pre-amalgamation municipalities. They are required to submit the current year (2016/17) and the 2017/18 MTREF budgets.

7.2 Submitting budget documentation and schedules for 2017/18 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2017, the final date of submission of the electronic budget documents and corresponding electronic returns is **Monday, 03 April 2017**. This includes the submission of the mSCOA data string. The deadline for submission of hard copies including council resolution is **Friday, 7 April 2017**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2017, the final date for such a submission is **Friday, 14 July 2017**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.1) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft service delivery standards;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- schedules D, E and F specific for the entities; and
- the budget locking certificate.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) tabled in council on 31 March 2017 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

7.3 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to lgdatabase@treasury.gov.za. Municipalities must submit returns for both the tabled budget and the final adopted budget as this will assist the National and provincial treasuries with the annual benchmark process.

In addition, municipalities must submit the *m*SCOA compliant data strings to the LG Upload Portal. National Treasury will continue with parallel reporting from municipalities until it is satisfied that all municipalities are *m*SCOA compliant and reporting adequately to support all publications.

The current electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

7.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

7.5 The use of private emails for business purposes

There are municipalities that use private email addresses for business purposes (e.g. Gmail). For the purpose of the implementation of *m*SCOA the Local Government Database requires municipalities to update their contact details and provide official email addresses instead of private. Therefore municipalities must follow the process of ensuring that their Information and Communication Technology infrastructure can accommodate official email addresses. Further requirements will be issued in this regard.

Contact



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001

Phone 012 315 5009

Fax 012 395 6553

Website <http://www.treasury.gov.za/default.aspx>

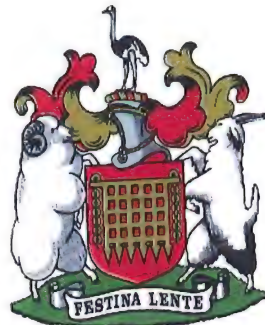
JH Hattingh
Chief Director: Local Government Budget Analysis
08 March 2017

Annexure A – Changes to Schedule A1 – the ‘Excel formats’

As noted above, National Treasury has released Version 6.1 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A2 and A2A	Changed reference to "Standard Classification" to functional classification and included detailed functional classification.	Align to version 6.1 of mSCOA classification framework
2	A4, SA2 and SA25	Deleted "Property rates – penalties and collection charges". Changed description for fines to "Fines, penalties and forfeits".	Align to version 6.1 of mSCOA classification framework
4	A5	Changed reference to "Standard Classification" to functional classification	Align to version 6.1 of mSCOA classification framework
5	A7 and SA30	Changed description for "property rates, penalties and collection charges" to property rates	Align to version 6.1 of mSCOA classification framework
6	A9	Changed breakdown of asset categories to align to CDIMS. Added a section on Upgrading of Existing Infrastructure.	Align to version 6.1 of mSCOA classification framework
8	SA3	Changed descriptions for "Call deposits < 90 days" and "Other current investments > 90 days" to exclude "< > 90 days".	Align to version 6.1 of mSCOA classification framework
9	SA17	Changed description of "Long-Term Loans (annuity/reducing balance)" to Annuity and Bullet Loans.	Align to version 6.1 of mSCOA classification framework
11	SA34(a-d)	Changed breakdown of asset categories to align to CDIMS.	Align to version 6.1 of mSCOA classification framework
12	SA34e	Added a table on Upgrading of Existing Infrastructure.	Align to version 6.1 of mSCOA classification framework
13	SA38	Added a table on operating expenditure projects	Align to version 6.1 of mSCOA classification framework

Beaufort West Municipality
15 Church Street, Beaufort West
Tel 023-414-8133
www.beaufortwestmun.co.za



ANNEXURE C

2017/18 – 2019/20

<h2>BEAUFORT WEST MUNICIPALITY</h2>

Detailed Capital budget over the 2017/18 Medium Term Revenue Expenditure Framework (MTREF)

Detailed Capital budget over the 2017/18 Medium Term Revenue Expenditure Framework (MTREF)

Directorate	Vote	Municipal Vote	Project/Program Description	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Funding Source
Vote 3 - Director: Financial Services	1200	3.1 - Admin: Financial Services	Furniture and Office Equipment / Machinery and Equipment	200,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	Portable LTO 5 Back-up Tape streamer	45,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	Cyberoom Firewall	25,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	New PC's/Laptops	50,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	10 x New 1000VA UPS's	27,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	4 x Laser and Slip Printers	30,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	1 x Office Chairs	3,000	-	-	CRR
Vote 2 - Director: Corporate Service	1201	2.8 - Information Technology	2 x Finger print reader	20,000	-	-	CRR
Vote 4 - Director: Engineering Services	1400	4.1 - Admin: Engineering Service	Furniture and Office Equipment / Machinery and Equipment	200,000	-	-	CRR
Vote 4 - Director: Engineering Services	1560	4.7 - Municipal Buildings	Hillside Paypoint - Extension of Building	80,000	-	-	MIG
Vote 4 - Director: Engineering Services	1580	4.8 - Recreation Sites	Beaufort West Stadium - Upgrade Rugby Field	1,000,000	300,000	-	MIG
Vote 4 - Director: Engineering Services	1580	4.8 - Recreation Sites	Beaufort West : Upgrade Tennis Courts - Voortrekker Street	635,543	635,543	-	MIG
Vote 4 - Director: Engineering Services	1580	4.8 - Recreation Sites	Beaufort West : Upgrade Sports Stadium - Kwa-Mandlenkosi	364,457	2,623,208	1,900,000	MIG
Vote 4 - Director: Engineering Services	1580	4.8 - Recreation Sites	Beaufort West : Rustdene Sport Stadium	150,000	-	-	CRR
Vote 4 - Director: Engineering Services	1580	4.8 - Recreation Sites	Play Parks (Merweville; Barakke & Makoebebuli)	-	317,948	-	MIG
Vote 4 - Director: Engineering Services	1620	4.9 - Sewerage System	Beaufort West : New Bulk Sewer Pump Station & Rising Main - Prince Valley Area S8	-	-	2,134,647	MIG
Vote 4 - Director: Engineering Services	1640	4.10 - Sewerage Farm	Nelspoort : Rehabilitate Oxidation Ponds	-	-	120,000	MIG
Vote 4 - Director: Engineering Services	1640	4.10 - Sewerage Farm	Nelspoort : Rehabilitate Oxidation Ponds (Bud Maint)	205,816	-	-	MIG
Vote 4 - Director: Engineering Services	1660	4.11 - Street Works & Storm Water	Beaufort West : Upgrade Roads : Protea / Oak Street - Rustdene	1,413,612	-	-	MIG
Vote 4 - Director: Engineering Services	1660	4.11 - Street Works & Storm Water	Beaufort West : Upgrade Roads : Michael de Villiers Avenue / James Smith Avenue - Prince Valley	1,413,612	-	-	MIG
Vote 4 - Director: Engineering Services	1660	4.11 - Street Works & Storm Water	Nelspoort : Upgrade Roads : Freddie Max Crescent	-	2,810,870	-	MIG
Vote 4 - Director: Engineering Services	1660	4.11 - Street Works & Storm Water	Hillside: New Stormwater Retention Ponds Phase 2	200,000	-	3,000,000	CRR
Vote 5 - Director: Community Services	1800	5.1 - Admin: Community Service	Furniture and Office Equipment / Machinery and Equipment	800,000	-	-	PAWC
Vote 5 - Director: Community Services	2060	5.10 - Fire Brigade	Vehicle - "pick-up truck"	2,674,527	-	-	MIG
Vote 6 - Director: Electrical Services	3090	6.6 - Street Lighting	Greater Beaufort West Ph2 : New High Mast Lighting	1,155,648	-	-	CRR
Vote 6 - Director: Electrical Services	3090	6.6 - Street Lighting	Murraysburg : New High Mast Lighting	26,000	-	-	CRR
Vote 6 - Director: Electrical Services	3050	6.3 - Reticulation Low Voltage	Chain Saws	16,000	-	-	CRR
Vote 6 - Director: Electrical Services	3050	6.3 - Reticulation Low Voltage	Bull Lever Hoists 500kg	2,500	-	-	CRR
Vote 6 - Director: Electrical Services	3050	6.3 - Reticulation Low Voltage	Come Along 1000kg	2,000	-	-	CRR
Vote 6 - Director: Electrical Services	3050	6.3 - Reticulation Low Voltage	Nylon Slings 1000kg	10,000	-	-	CRR
Vote 6 - Director: Electrical Services	3060	6.4 - Reticulation High Voltage	Drilling Machines	19,000	-	-	CRR
Vote 6 - Director: Electrical Services	3060	6.4 - Reticulation High Voltage	MV Linksticks	40,000	-	-	CRR
Vote 6 - Director: Electrical Services	3060	6.4 - Reticulation High Voltage	Switching Suits	28,000	-	-	CRR
Vote 6 - Director: Electrical Services	3060	6.4 - Reticulation High Voltage	Earthing Kits	30,000	-	-	INEP
Vote 6 - Director: Electrical Services	4010	4.14 - Admin: Water	Upgrade Main Sub-station	860,374	-	-	MIG
Vote 4 - Director: Engineering Services	4070	4.17 - Water: Reticulation	Beaufort West : Investigation for New Aquifers	-	-	3,271,302	MIG
Vote 4 - Director: Engineering Services	4070	4.17 - Water: Reticulation	Beaufort West : Upgrade Bulk Water Supply Area S1 - Hillside	410,616	7,321,799	-	MIG
Vote 4 - Director: Engineering Services	6660	4.20 - Murraysburg Street Works & Storm Water	Beaufort West : Rehabilitate Bulk Water Scheme - Klein Hans Rivier	-	-	810,961	MIG
Vote 4 - Director: Engineering Services	6660	4.20 - Murraysburg Street Works & Storm Water	Nelspoort : New Bulk Water Supply	1,591,448	337,632	-	MIG
Vote 4 - Director: Engineering Services	6660	4.20 - Murraysburg Street Works & Storm Water	Murraysburg : Rehabilitate Roads and Stormwater	-	-	2,109,090	MIG
Vote 4 - Director: Engineering Services	6660	4.20 - Murraysburg Street Works & Storm Water	Murraysburg: Upgrade Setlaars, Paarden, Perl Roads	-	-	1,539,000	MIG
Vote 6 - Director: Electrical Services	6800	6.8 - Electricity: Murraysburg	Murraysburg: New Stormwater Drainage	7,000	-	-	CRR
Vote 6 - Director: Electrical Services	6800	6.8 - Electricity: Murraysburg	Earthing Kits	6,500	-	-	CRR
Vote 6 - Director: Electrical Services	6800	6.8 - Electricity: Murraysburg	Chain Saws	3,000	-	-	CRR
Vote 6 - Director: Electrical Services	6800	6.8 - Electricity: Murraysburg	Clamp on Multi meters	10,000	-	-	CRR
Vote 4 - Director: Engineering Services	6655	4.19 - Murraysburg Sewerage	Switching Suits	1,227,016	-	-	MIG
Vote 4 - Director: Engineering Services	6655	4.19 - Murraysburg Sewerage	Murraysburg : Rehabilitate Sanitation : Oxidation Ponds (Budget Maint)	887,351	-	-	MIG
Vote 4 - Director: Engineering Services	6655	4.19 - Murraysburg Sewerage	Murraysburg : Rehabilitate Sanitation : Oxidation Ponds	15,870,000	14,347,000	25,885,000	MIG



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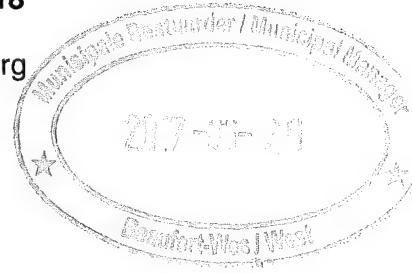
5/12/11
10/3/3/11

Notule van 'n vergadering vir die **Konsep Begroting 2017/18**

gehou in Murraysburg dorp saal, Beaufort Street, Murraysburg

op **Woensdag, 19 June 2017**

om **17:10**



Munisipale bestuur teenwoordig:

Mnre. S Govender [Finansiële intern], R van Staden [Direkteur: Elektriese dienste], JJ Van der Linde [Burgermeester], K Haarhoff [Waarnemende Munisipale Bestuurder], C Wright [Waarnemende Direkteur: Ingenieurs dienste]; O Haarvoor [Raadslid]; CJ Kymdell [Waarnemende Direkteur: Finansiële dienste]

Me. T Deyce [Raadslid]; E Lawrence [Raadslid]; T Basson [Raadslid]; E Wentzel [Raadslid]

1. OPENING EN VERWELKOMING

Mnre JJ Van der Linde en Haarvoor verwelkom almal in die vergadering, en Mnr Haarvoor open met 'n gebed.

2. BEGIN VAN DIE VERGADERING

Mnr JJ Van der Linde vra vir Mnr Kymdell om die Konsepbegroting voor te lees.

3. VRAE EN ANTWOORDE

Mnr Kymdell stel voor dat die gemeenskap van Murraysburg die vrae moet vra en dan sal die Munisipale beamptes dit beantwoord.

- **Die verskeievrae:**

Unknown: Hoekom stem die IDP en die kapitale begroting nie ooreen nie?

- Mnr Kymdell: Die munisipaliteit is besig om na 'n nuwe system te beweeg, so die IDP en kapitale begroting is onderstel om in een lyn te beweeg. Maar ons sal opvolg met die IDP Koördineerder, en sal terug kom na U oor waar die probleem kan lê.

Unknown: In die geval van 'n deernis, As ek 'n huis deernis huis verhuur, aan 'n persoon wat buite die deernis standaard val, kan 'n persoon kwalifiseer vir deernis?

- Mnr Kymdell: As 'n persoon 'n deernis huis verhuur aan 'n polisie beampte of 'n persoon wat bo R 3200 verdien mag daardie persoon wat die huis huur nie deernis kry nie, want daardie persoon is dan verantwoordelik vir die rekening. Alhoewel die persoon wat die huis verhuur deernis kry.

- Mnr Haarvoor: Ek het daardie kwessie aangemeld aan mnr Van Staden toe hy waargeneem het as Munisipale Bestuurder, dat ons moet deeglik deur die aansoeke werk vir die deernis gevalle.

Unknown: Is die projekte wat tans op die kapitale begroting is OU of NUWE projekte? En is dit al projekte vir Murraysburg?

- Mnr Wright: Ons is huidiglik besig met die Rioolwerke en dit val oor na die volgende finansiële jaar, omdat die geld te min was. Dis ook 'n twee jaar projekte. Die opgradering van die roads and storm water is 'n nuwe projekte wat geregistreer is. Die hoemas beligting is ook 'n nuwe projekte.
- Mnr: Van der Linde: Uit die R 14 mil, kry Murraysburg R5.1 mil, so as U die som kan maak is dit 1/3 van die kapitale begroting, en daar is nog, Merweville, Nelspoort en Beaufort West.

Unknown: Hoekom moet die belasting tarief so verhoog, en is daar nie dalk 'n deernis beleid nie wat die munisipaliteit kan gebruik om vas te stel wie kry en wie nie moet kry nie?

- Mnr Kyndell: U persoonlike belasting of U waardasie het nie gestug nie, dit het eintlik gedaal.
- Mnr Haarhoff: Orals is die Deernis beleid in die land die 6kl water en die 50kwh. Daar moet 'n deernis register wees wat gedurig update word, soda tans kan vasstel wie moet kry en wie nie moet kry nie.

Unknown: Befondsing rond om projekte, soos die tuine, omheinings en ook behuising, wat kan gesê word rond om dit?

- Mnr Haarhoff: Mnr Rural Development kom stel vas waar hul behuising wil sit so ons het geen sê daaroor nie.
- Mnr Kyndell: Al die projekte wat by die IDP vasgelê is, word sekere na Nasionale gestuur en hul keer die projekte goed wat volgens die begroting.

4. SLUITING

Die Burgermeester bedank almal vir hulle teenwoordigheid en vra 'n gemeenskap lid om af te sluit met 'n gebed.

Die vergadering sluit om **18:15**

Notule van 'n vergadering vir die Konsep Begroting 2017/18 en IDP

gehou in Restvale Primary School, Nelspoort.

op Maandag, 19 June 2017

om 17:20

Munisipale bestuur teenwoordig:

Mnre. R. Klink (Direkteur Gemeenskapsdienste), R. Eland (Wrn. Finansiële Admin. Bestuurder), L. Lakay (IDP Bestuurder), Me. D. Slabbert (Onder-Burgermeesteres), K. Alexander (Raadslid), J. Abrahams (Projek Bestuurder) en L. Smit (Financial Intern).

1. OPENING EN VERWELKOMING

Mnr Klink verwelkom almal in die vergadering en Pastoor Sampie doen 'n gebed.

2. BEGIN VAN DIE VERGADERING

Mnr Klink vra vir Mnr. Eland om die 2017/2018 Konsep begroting aan die gemeenskap te verduidelik.

3. VRAE EN ANTWOORDE

Mnr Klink stel voor dat die gemeenskap verskeie vra moet vra met betrekking tot die Konsep begroting van 2017/2018 en dat die munisipale bestuur die vrae daarna sal antwoord.

• DIE VERSKEIE VRAE:

Charles Jonas: "Kan Beaufort Wes Munisipaliteit aanstellings in Nelspoort doen? M.a.w kan Beaufort West Munisipaliteit werk skep in Nelspoort? Is daar nie begroot vir aanstellings in Nelspoort? "

Juliet Jonas: "Hoekom is die opgradering van plaaslike paaie en riool damme verskryf na die 2018/2019 begroting maar dit moes in 2017/2018 begroting wees? Hoekom is Nelspoort nie deel van die kapitaal begroting vir 2017/2018? Kan Nelspoort se water verbeter en hoekom is die water nie in die 2017/18 begroting vir Nelspoort?"

Vivian Lund: "Hoekom word Nelspoort afgeskeep? Hoekom is daar nog nie herstelwerk aan plaaslike huise asook aan V. Lund se huis gedoen? Terugvoering word verlang in verband met herstelwerk aan plaaslike huise, geen terugvoering tot en met vandag. Wanneer word die **carter transport** geïmplementeer wat ook verlang was deur die gemeenskap?"

Richard Van Staden: "Carter transport moet vir die gemeenskap van Nelspoort gegee word! Die 2017/18 begroting maak nie voorsiening vir Nelspoort nie. Waar is die hubbs wat Beaufort Wes munisipaliteit Nelspoort toe sou bring? Elke departement van Beaufort Wes munisipaliteit moet n inwoner van Nelspoort aanstel."

Denvor Sampie: "Nelspoort se agterstand is groot. Kan Beaufort Wes munisipaliteit in ag neem, as gevolg van die 2017/18 begroting, gaan die agterstand gaping van Nelspoort net groter word in vergelyking met die ander dorpe?"

Unknown: "Kan Beaufort Wes munisipaliteit werk skep in Nelspoort?"

B Jonas: "Hoekom het prioriteite ten opsigte van Nelspoort verander en hoekom is Nelspoort nie deel van die 2017/18 begroting nie?"

Sandra Solomon: "Kan daar nog nuwe of ander insette vir die 2017/18 begroting ingedien word aangesien hierdie n konsep begroting is?"

Franklin Jonkers: "Vanaf 2011 word Nelspoort afgeskeep, wanneer word Nelspoort se behoeftes uitgedra?"

Arrie Jonkers: "Freddie Max Crescent is ouer as Michael de Villierslaan, kan die bedrag wat vir Michael de Villierslaan geallokeer is, verskuif word vir die opgradering van Freddie Max Crescent?"

Unknown: "Ons as n gemeenskap is ongelukkig, kan Beaufort Wes munisipaliteit asb reg maak waar hul fouteer het?"

Sally Wilkers: Die huise op Nelspoort stasie kry geen dienste vanaf Beaufort Wes Munisipaliteit, daar is geen rioolwerke, spreiligte asook geteerde paaie. Kan daar dienste gelewer word op Nelspoort stasie? Waar is die H.O.P huise wat belowe was deur Beaufort Wes munisipaliteit?

C Van Staden: "Hoeveel van die projekte wat op die IDP geplaas was, is uitgevoer? Waar is die E-centre wat 5jaar gelede geïdentifiseer was? Kan Nelspoort biblioteek meer rekenaars kry want huidiglik is daar slegs 2 rekenaars in die gebruik? Hoeveel EPW poste is vir Nelspoort beskikbaar gestel?"

Marizza Wettels: "Kan jeugdiges eerder permanente poste by Beaufort Wes munisipaliteit kry, eerder as om n Learnership aan te bied wat net tydelik is?"

Andrew Peers: "Kan n verslag oorhandig word aan die raad wat verklaar wat die inwoners van Nelspoort verlang van Beaufort Wes munisipaliteit?"

ANTWOORDE DEUR DIE MUNISIPALE BESTUUR

R. Eland: "Die konsep begroting moes alreeds einde Maart goedgekeur gewees het voor die raad. Teen einde Mei moes die finale begroting goedgekeur gewees het. Daar is slegs 2 weke oor om almal se insette in te vorder om te identifiseer of daar wel moontlike veranderings gedoen kan word.

R Eland- aanstellings: "Daar is voorsiening gemaak in die 2017/18 begroting vir aanstellings en om die organogram te vul. Daar word vir Nelspoort begroot in die bedryfsbegroting."

L. Lakay- Herstelwerk aand huise: "Met betrekking tot die herstelwerk van die huise, hierdie kwessies moet ingedien word by Ingenieursdienste. Verskoning word gevra ivm die wag oor die antw van die carter transport."

Mev. D. Slabbert (Onder- Burgermeesteres van Beaufort- Wes Munisipaliteit) Nelspoort stasie huise: Nelspoort stasie behoort aan PRASA. PRASA wil nie Nelspoort stasie oorgee aan Beaufort Wes munisipaliteit nie. Terwyl Nelspoort stasie nog aan PRASA behoort, kan Beaufort Wes munisipaliteit geen dienste daar lewer of fondse bestee want dit is nie munisipale gronde nie.

Mev. J. Abrahams- EPWP poste vir 2017/18:

5 EPWP projekte vir die jaar 2017/18, waarvan road and storm vir die buite dorpe is. Daar word beoog om 5 persone in Murraysburg aan te stel, 3 in Nelspoort, 3 persone in Merweville. 50 persone sal aangestel word vir die Waste minimization projek, waarvan 30 persone in Beaufort Wes aangestel sal word, 5 persone in Nelspoort, 5 persone in Merweville en 10 persone in Murraysburg. Hierdie projektelys moet nog goedgekeur word deur die raad.

4. SLUITING

Mnr. Klink bedank almal vir hul teenwoordigheid en vra dat 'n Pastoor van Nelspoort moet afsluit met 'n gebed.

Die vergadering sluit om **19:10**

**Notule van 'n vergadering vir die Konsep Begroting 2017/18 by
George Frederick Primary School, Merweville**

op Dinsdag, 20 June 2017

om 17:10

Munisipale bestuur teenwoordig:

Mnre. S Govender [Finansiële intern], L Lakay [IDP Co-ordinator], JJ Van der Linde [Burgermeester], C Wright [Waarnemende: Direkteur van Ingenieurs dienste], Kymdell [Waarnemende: Direkteur van Finansiële dienste], K Haarhoff [Waarnemende: Munisipale Bestuurder], A Makendlana [Direkteur: Korporatiewe dienste], R Klink [Direkteur: Gemeenskap dienste], R Van Staden [Direkteur: Elektriese dienste], M Baatjes [Assistent Munisipale Bestuurder]

Mev. E Wentzel [Raadslid], T Basson [Raadslid]

1. OPENING EN VERWELKOMING

Die Burgermeester verwelkom almal in die vergadering en vra Pastoor in Merweville om 'n gebed te doen.

2. BEGIN VAN DIE VERGADERING

Mnr J Van der Linde vra vir Mnr Kymdell om die Konsep begroting voor te lees.

3. VRAE EN ANTWOORDE

Mnr J Van der Linde vra die gemeenskap om vrae te vra op betrekking die Konsep begroting en dat die vrae geantwoord sal word deur die verskillende direkteure teenwoordig.

- **DIE VERSKEIE VRAE:**

Unknown: Is daar enige vooruitsigte vir Merweville vir behuising want daar was 'n R12,5 mil gegee, maar niks is gedoen met daardie geld nie. Daar is ook niks kapitale projekte vir Merweville nie.

- **Mnr Haarhoff:** U moet nie sê daar word niks vir Merweville gedoen nie, daardie R12,5 mil. is in die bank rekening. Die Kontrakteur sal van 1 Julie 2017 begin, en as dit nie begin nie kan U my verantwoordelik hou. Ek het ook voorgestel dat die Munisipaliteit moet vir die mense sê hoeveel koste hul vir die munisipaliteit het en hoeveel die munisipaliteit uitkry van die gemeenskap, sodat hulle aan sien wat hul wel vir die gemeenskap doen. U moet ons net 'n kans gee, ons is n nuwe administrasie.

kennis geneem van die kragstasie se afdak. Mbt CWP, hierdie werkskepping projek voldoen nie aan die vereiste van minimum loon nie. Die munisipaliteit is slegs 'n agent vir die CWP en betaal dus die lone aan CWP werkers wat voorgeskryf word deur die CWP. In terme van die paaie van Toekomsrus, dit moet op die GOP kom. In terme van die vergroting van huise in Toekomsrus, verklaar die Departement van Behuising dat elk slegs een subsidie. In die geval van 'n persoon wie afgestrewes is, het die munisipaliteit 'n vaste beleid dat persone wie afgestrewes is, se skuld afgeskryf word. Rakend die veiligheidsaspek, daar word met die SAPD gekommunikeer dat daar 'n moontlike polisiestasie ter Hillside area kan wees."

K. Haarhoff: "Die provinsiale regering het R92 421 000.00 in bedryfsskenkings aan Beaufort Wes munisipaliteit geskenk. Die provinsie het 13 departemente en elk het bygedra tot die R92 421 000 wat geskenk is. Huise met buite toilette is 'n probleem en die 'n risiko in. Daar was gekommunikeer met departement van menslike nedersetting om te vra vir finansiële hulp vir die bou van binne toilette. Daar word gekyk na 'n bekostigbare manier om toilette in te laat sit. Daar word beplan dat die leerders van die Apprenticeship die nodige toilette in te sit. Hillside I, II, Toekomsrus en Barakke gaan deel wees van die begroting"

R Eland- "In terme van die tariefverhoging, daar word 3 groepe geklassifiseer vir deernis. Daar word voorsiening gemaak vir huishoudings met geen tot R200 inkomste en word gesubsidieer met 50kWh elektrisiteit en 6kl water. Indien persone voldoen aan die vereistes van Deernissubsidie, kan hul aansoek doen daarvoor. Persone wie behoort aan Deernissubsidie betaal minder vir die aankope van krag want dit is 'n voorskrif wat deur Eskom opgestel is. In terme van werkskepping, daar is R1.6 miljoen geallokeer vir die EPWP program. Die munisipaliteit het ook die Financial Management Internship program wat deur Nasionale Tesourier gefinansier word waar daar 5 interns op die program is. Rakend die voorsiening van krag direk vanaf Eskom, Eskom wil nie krag verkoop aan die munisipaliteit nie. Die rede hoekom krag eenhede verskil, is omdat daar 'n dagtarief en 'n nagtarief is. Die nagtarief is dus duurder as die dagtarief. Dit word gedoen sodat die munisipaliteit koste wat gebruik word om die buitekantore oop te hou, terug kan kry."

L. Lakay- Herstelwerk aand huise: "In terme van GOP vergadering, het daar slegs 3-6 mense die d bygewoon en daar was besluit dat die vergadering uitgestel sal word. Daar word versoek dat die gemeenskap lede van Hillside I, II, Toekomsrus en Barakke teen 11:00 28/06/2017 versoeke in te dien by Mnr. Lakay ten opsigte van hul behoeftes vir die GOP.

4. SLUITING

Mnr. Haarhoff bedank almal vir hul teenwoordigheid en vra dat 'n dame moet afsluit met 'n gebed.

Vergadering verdaag **om 19:45**

Notule van 'n vergadering vir die Konsep Begroting 2017/18

gehou by Rustdene Saal, Beaufort - Wes

op **Tuesday, 22 June 2017**

om **17:15**

Munisipale bestuur teenwoordig:

Mnre. S Govender [Finansiële intern], R van Staden [Direkteur: Elektriese dienste], JJ [Munisipale Bestuurder], R Eland [Kontroleer: Finansiële Bestuur], L Lakay [GOP Koördineerder], K Haarhoff [Waarnemende: Munisipale Bestuurder], M Baatjes [Assistent: Munisipale Bestuurder]

Mev. E Wentzel [Wyk Raadslid]

1. OPENING EN VERWELKOMING

Die Munisipale Bestuurder verwelkom almal by die vergadering en vra Mnr Makok om te open met 'n gebed.

2. BEGIN VAN DIE VERGADERING

Mnr JJ Van der Linde vra vir Mnr Eland om die Konsep begroting voor te lees.

3. VRAE EN ANTWOORDE

Mnr JJ Van der Linde vra die gemeenskap om vrae te vra op betrekking die Konsep begroting en dat vra geantwoord sal word deur die verskillende direkteure teenwoordig.

- **DIE VERSKEIE VRAE:**

(Mnr. de Vos): Hoe werk die Toekennings van die Grants, Begroot Nasionaal net vir Local Government soos 'n mens kan sien op die begroting (93%), en Provinsie gee niks nie. Tweedens, Wat doen U met die surplus tussen die Bedryfsbegroting?

- Mnr. Haarhoff: Die kapitaalebegroting word van Nasionaal regering gekry (R14 milj), maar as U op die bedryfsbegroting sien is daar 'n lyn item wat bedryfsskenkings van R92 421 mil., en in daai bedrag is dit wat Provinsie gee.
- Mnr Eland: Om by te voeg is in daai R92 421 mil., is 'n R24milj van Human Settlements, en ook 'n R 300 000 vit die Thusong Centre in Beaufort en Murraysburg, en die biblioteke kry ook R5.2 miljoen, vir salarisse en operasionele kostes. Die surplus wat U van praat moet oorgeplaas word vir reserwes, vir beleggings.

(Mnr Bennie): Dis bekommerd om te sien dat ons R78 mil skuld, waarvan 68% huishoudings is. Hoeveel skuld besighede, en individue as dit kom by munisipale dienste en dis ook 'n aanduiding dat ons mense swaar kry. Hoe kan U hul van ons verwag om weer 7% verhoging te betaal as dit kla in Februarie verhoog is.

- o Mnr. Eland: Die elektrisiteit verhoging het ons geen beheer, Eskom reguleer daardie aspek self.
- o Mnr. Van der Linde: Uit daardie 78milj, skuld huishoudings 61milj en die ander 17 milj word geskuld deur besighede en Staats departemente, en daar word ook 'n bedrag afskryf as oninbare skuld, en die Verhoging van Februarie wat in die Courier geadverteer was, is hierdie verhoging wat U nou sien, en dit gaan eers inskik die 1 Julie 2017. Die verhogings kan net een keer 'n jaar verhoog word.
- o Mnr. Haarhoff: Daar is 30 munisipaliteite in die Provinsie, waarvan Prince Albert, Laingsburg en Beaufort-Wes van die armste is, en waar Beaufort Wes, een van die laagste tariewe het,

(Mnr Bennie): Op hierdie begroting word daar niks gesê van Landbou, Gesondheid, Law in Forcement en die ander goed nie?

- o Mnr Van der Linde: Die bedryfsbegroting is 'n groot en dik n' dokument, en al daardie goed is in die begroting, ons gee net die basiese goed vir U in hierdie begrotings vergadering. Hierdie begroting is eintlik betrekking hoe dit U sak gaan raak, wat U gaan betaal.

Mnr Pienaar: Was daar enige kennisgewings gegee, vir publieke deelname, vir hierdie vergadering, en hoe gaan dit die gemeenskappe impak?

- o Mnr Van der Linde: Ons het kennisgewings uitgestuur en die gemeenskap bewus gemaak van al die meetings in al die wyke wat gaan plaasvind. Ons was al in Merweville, Nelspoort, Murraysburg, Kwa-Mandlenkosi en nou hier, volgende week en Dinsdag sal ons die dorp dienste ook in Hillside wees, waar ons die gemeenskappe bewus maak oor die begroting en hoe dit hulle gaan impak. Die grootste meeting vir die gemeenskap is eintlik die IDP, waar hul se wat hul soek in die verskillende wyke.

Mnr de Vos: Kan daar nie iets gedoen word om die ou mense se toilette buite binne te sit nie, die toilette buite gaan tot nuut, tweedens kan daar nie voorsien word vir 'n ramp vir die gestremde mense by hul huise nie?

- o Mnr Van der Linde: Wat die toilette betref, daar was begroot deur die provinsie om die toilette binne die huise die sit, maar omdat dit 'n politieke rolbam beginte raak, het, was dit vasgehou. Die bedrag is nog altyd beskikbaar, en daar was vir kwotasies gevra, wat per huis R 50 000- R 60 000 beloop, maar ek het 'n kwotasie gekry van R 29

000. Daar was ook gesê dat daar moet gebruik gemaak word deur jong entrepreneurs om dit te doen teen 'n goeie prys. Tweedens, as jy 'n begunstigde is van 'n huis, dan kan aanspraak maak op 'n ramp, maar vorige jare was dit nie moontlik nie. Ons is ook nou besig om met die minister van die provinsie te praat, oor die huise van Murraysburg en 'n paar hier, wat ook nie binne mure het nie.

Mnr Makok: As ek op hierdie kapitale begroting kyk, dan is daar niks vir Amogreen Veld nie, wat se dat dit eers in 2020/21 gaan verskyn op die begroting, kan daar nie dalk veranderinge kom nie. Tweedens, ek bly al 34 jaar in Gowsblomstraat (Barronlaan en Aanblomstraat ook) en ek betaal al 34 jaar aan belasting maar die straat is nog steeds 'n grond straat, kan julle nie aandag gee aan daardie aspek nie. Waar kan ek die IDP kry en waar kan ek my insette lewer.

- Mnr Van der Linde: Ek het al met die CFO (Chief Financial Officer) en ook met die Direkteur van Tegniiese dienste, om te se dat teen volgende Vrydag daar iets moet staan vir die gebiede wat nie op die begroting nou verskyn nie, alhoewel dit nog 3 jaar kan neem, kan daar nog aansoeke vir projekte aan nasionaal gestuur word sodat daardie projekte op volgende jaar se begroting kan wees.
- Mnr Lakay: Die IDP word volgende Vrydag goed gekeur, met die projekte soos dit nou op die IDP verskyn, maar intussen is daar 'n IDP hersien proses wat jaarliks plaasvind, binne in die vyf jaar van die IDP. Die raad het volgens die wetgewings die reg om sekere wysigings te maak, aan die vyf jaar plan van die IDP. As die raad se finansiële omstandighede verander kan hul wysigings maak om projekte te open wat nie nou op die IDP verskyn nie. Tweedens, die IDP is op die webtuiste beskikbaar, insette word verwelkom, en skriftelik nie later as 29 Junie 2017 nie.

SLUITING

Die Burgermeester bedank almal vir hul teenwoordigheid.

Die vergadering sluit om **18:55**

Notule van 'n vergadering vir die Konsep Begroting 2017/18 en IDP

gehou in Beaufort Wes Primêre Skool, Beaufort Wes.

op Dinsdag 27 Junie 2017

om 17:44

Munisipale bestuur teenwoordig:

Mnr. JJ Van der Linde (Burgermeester), K. Haarhoff (Wrn. Munisipale Bestuurder) R. Eland (Wrn. Finansiële Admin. Bestuurder), L. Lakay (IDP Bestuurder). Me. D. Slabbert (Onder-Burgermeesteres), K. Alexander (Raadslid), V. Godfrey (P.A. van munisipale bestuurder) en L. Smit (Financial Intern).

1. OPENING EN VERWELKOMING

Mnr. Haarhoff verwelkom almal in die vergadering en n lid van die gemeenskap open met n gebed.

2. BEGIN VAN DIE VERGADERING

Mnr. Haarhoff vra vir Mnr. Eland om die 2017/2018 Konsep begroting aan die gemeenskap te verduidelik.

3. VRAE EN ANTWOORDE

Mnr. Haarhoff stel voor dat die gemeenskap verskeie vrae moet vra met betrekking tot die Konsep begroting van 2017/2018 en dat die munisipale bestuur die vrae daarna sal antwoord.

- **DIE VERSKEIE VRAE:**

M. Sibabes: "Is alle learnerships wat deur Beaufort Wes munisipaliteit aangebied word, gestop?"

Wayne Phillander: "Wat is die beraamde skenkings vanaf die Provinsiale Regering aan die Munisipaliteit? Hoe kan die munisipaliteit die 7% verhoging in tariewe meer bekostigbaar maak vir huise sonder inkomste en wat nie gebruik maak van maatskaplike toelae nie?"

Jakobus Pienaar: "Watter plan het Beaufort Wes munisipaliteit ten opsigte van die 'muffin monster' (sewege grinder)? Wanneer gaan die Barakke deel was van die jaarlikse begroting? Kan daar mas pale opgesit word in Hillside I, II, Toekomsrus en Barakke asook by die brug? Watter ontwikkeling kan die munisipaliteit vir hierdie woonbuurt doen? Kan n afdak by die Hillside kragstasie aangebring word omdat die gemeenskap soms in reënweer moet

staan?" Watter impak gaan die 1,8% verhoging in elektrisiteit hê op die kragbron vir persone met n laer inkomste of geen inkomste wie huise besit?"

Elrico Daniels: "Is daar begroot vir werkskepping vir ons jeugdes? Kan daar vir die Barakke toilette verskaf word want daar word nog gebruik gemaak van ballies? Kan die Barakke se paaie ook geteer word of paving kry? Is dit moontlik dat die speelpark hier ook opgradeer word met nuwe speel geriewe en toerusting? Hoekom maak die munisipaliteit nie eerder gebruik van die gemeenskap om werk te doen eerder as om gebruik te maak uit te kontrakteur, sodoende help dit met werkskepping?"

Anmar Hifio: "Daar was belowe dat die inwoners van die Barake toilette sal kry, wanneer sal ons as inwoners toilette in ons huise kry? Kan die speelpark in die Barakke opgradeer word? Is daar begroot vir n verhoging in die CWP werkers se salaris?"

Unknown: "Kan die paaie in Toekomsrus asb. geteer word? Kan daar ook n ekstra vertrek aangebou word vir die huise in Toekomsrus? Kan ons as die gemeenskap ook asb. resultate sien van die ondersoeke wat tans gedoen word?"

Candice Olyn: "Kan u my verduidelik hoe die Deernissubsidie werk asook wat kan die munisipaliteit vir my doen wat my ma wie afgestrewes is, se skuld afbetaal?"

Unkown: "Wat kan ons as die gemeenskap asook die plaaslike munisipaliteit doen om misdaad hok te slaan?"

Rubin Oliphant: "Hoekom verskil die krag eenhede van die verskillende kragstasies hier in Beaufort Wes en hoe word die berekeninge van die krag eenhede gedoen? Kan die munisipaliteit net ondersoek instel hoekom die water drukking in die waterpype wat loop na die geiser, swak is? Wat gaan die raad doen in terme van die huise wat nog geen binne mure het?"

Dalene Lukas: "Kan ons nie direk krag vanaf Eskom koop?"

ANTWOORDE DEUR DIE MUNISIPALE BESTUUR

JJ. Van der Linde: "Daar was vergader met SETA met betrekking tot die learnerships en voor die learnerships sal voortgaan, sal daar 'n in diepte audit gedoen word om alle probleme en vaal areas te identifiseer daarom is alle learnerships vereens gestop. In terme van die mas pale, daar moet eers geïdentifiseer word waar die grootste nood is vir mas pale. Daar sal ook saam met die Elektriese departement gewerk word om uit te vind hoeveel geld beskikbaar is en hoeveel mas pale opgesit kan word. In terme van die buite toilette, daar is geld beskikbaar om binne toilette in te sit alhoewel daar moet eers bekostigbare maniere gevind word om hierdie toilette in te laat sit. Interne van die 'muffin monster' probleem, dit is n geërfde infrastruktuur wat daar is. Die munisipaliteit gaan kyk hoe om hierdie probleem op te los. Daar word ook

Unknown: Hierdie R12.5 mil moet al gespandeer gewees het, so daar is eintlik niks begroot is Merweville vir 2017/18. So as daar nie projekte is nie, dan is daar geen werk vir die gemeenskap nie dan kan ons nie belasting of dienste betaal nie, so wanneer is daar weer kapitale projekte vir Merweville?

- Mnr. Haarhoff: Soos dit voorkom het U 'n passie vir die ontwikkeling van U dorp. Die dorp is skoon en netjies, so U hul het self respek. Kan U die nuwe regering net kans gee, om die veranderinge aan te bring, ek en die Burgemeester is van die 12 Junie 2017 aangestel en daar is 'n nuwe regering, so gee net kans. Ek is tans besig om met Nederland 'n ooreenskoms aan te gaan, vir befondsing vir projekte op die IDP en om die armoede aan te spreek.

Unknown: Kan die munisipaliteit nie dalk befondsing gee vir ou projekte soos die groente tuin, die stene projek en ook die naald werk projek.

- Mnr. Haarhoff: Die burgermeester wil die omstandighede in die dorp verander en met U samewerking sal ons daardie projekte tot lewe weer bring.

Unknown: Wat het gebeur met die learnerships, dit het net gestop?

- Mnr. Van der Linde: Daar was 'n probleem dat die learnerships oor hul tyd geloop het, en die geld vir die volgende Learnership gevat het om dit te betaal, en dis hoekom dit gestop gewees het, maar daar gaan nou weer nuwe learnerships uitkom.

4. SLUITING

Die burgermeester bedank almal vir hul teenwoordigheid en vra dat 'n persoon moet afsluit met 'n gebed.

Die vergadering sluit om **18:20**